



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
Two Gateway Center  
Newark, NJ 07102  
[www.bpu.state.nj.us](http://www.bpu.state.nj.us)

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF )  
SOUTHWESTERN BELL COMMUNICATIONS )  
SERVICES, INC. D/B/A SBC LONG DISTANCE FOR )  
AUTHORITY TO PROVIDE LOCAL EXCHANGE, )  
INTEREXCHANGE AND EXCHANGE ACCESS )  
TELECOMMUNICATIONS SERVICES )  
IN THE STATE OF NEW JERSEY )

ORDER

DOCKET NO. TE04070708

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated July 22, 2004, Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance ("Petitioner" or "SBC Long Distance") filed the Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide competitive facilities-based and resold, local exchange, interexchange and exchange access telecommunications services throughout the State of New Jersey.

SBC Long Distance is a privately held corporation organized under the laws of the State of Delaware. SBC Long Distance is a wholly owned subsidiary of SBC Communications, Inc., a publicly traded company listed on the New York Stock Exchange under the symbol SBC. Petitioner's principal offices are located at 5850 W. Las Positas Blvd., Pleasanton, CA 94588.

Petitioner has submitted copies of its Certification of Incorporation and Certificate of Good Standing from the State of Delaware and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. According to the Petition, SBC Long Distance was formed to provide competitive facilities-based and resold, local exchange, interexchange and exchange access telecommunications services throughout the State of New Jersey. Petitioner states that it is currently authorized to provide, and is providing, resold interexchange service in all 50 states. Petitioner filed a notification of its intention to provide resold interexchange services in the State of New Jersey with Bell-Atlantic New Jersey, now known as Verizon-New Jersey. Petitioner states that it is authorized to provide resold and facilities-based local exchange services in Arizona, Colorado, Delaware, District of Columbia, Florida, Idaho, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Montana, Nebraska, New Mexico, New York, North Carolina, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Vermont, West Virginia and Wyoming. Petitioner states that it has applications for resold and facilities-based local exchange service pending in the states of Alabama, Alaska, Georgia, New Hampshire,

Pennsylvania, Tennessee and Utah. Petitioner states that it is not yet providing local service in any state and that it has not been denied authority to provide telecommunications services nor had its authority revoked in any jurisdiction. Petitioner further states that it does not have any pending civil or criminal proceedings against it in any jurisdiction. Petitioner states that it has not yet entered into negotiations with any carrier for an interconnection agreement. However, it may choose to negotiate an interconnection agreement with a New Jersey certificated facilities-based competitive Local Exchange Carrier ("LEC") rather than with a New Jersey incumbent local exchange carrier.

Petitioner seeks authority to provide competitive facilities-based and resold, local exchange, interexchange and exchange access telecommunications services to both commercial and residential customers throughout the State of New Jersey. Petitioner states that its initial marketing focus will be on commercial customers of SBC Communications in its in-region territories that have a need for local exchange services and that its longer term focus will be to provide a wider array of voice and data services to commercial customers and to offer local and interexchange services to residential customers in the State of New Jersey. Petitioner states that its proposed local exchange services may include, but not be limited to, basic local, custom calling, intra local access transport area and data service. Petitioner states that it will provide competitive facilities-based and resold services utilizing unbundled network elements platform leased or purchased from one or more New Jersey certificated LECs such as Verizon-New Jersey. Petitioner further states that it proposes to provide exchange access services to interconnecting carriers. Petitioner states that it will file a tariff for board approval and that it maintains a toll-free number for its customer service inquiries.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Pleasanton, California. Petitioner also states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, SBC Long Distance states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to SBC Long Distance, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

## DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed SBC Long Distance's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange and interexchange telecommunications services throughout New Jersey subject to approval of its tariff. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is approved by the Board.

The Board HEREBY ORDERS that:


- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N.J.S.A. 48:2-16.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 3) Pursuant to N.J.S.A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1<sup>st</sup> of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

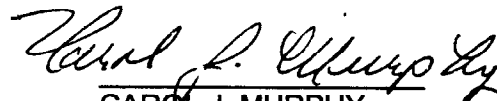
Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 9/14/04

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
CAROL J. MURPHY  
COMMISSIONER

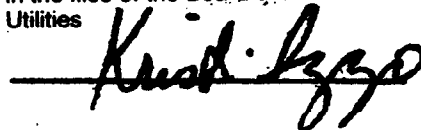
  
CONNIE O. HUGHES  
COMMISSIONER

  
JACK ALTER  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities



IN THE MATTER OF THE PETITION OF SOUTHWESTERN BELL COMMUNICATIONS  
SERVICES, INC. D/B/A SBC LONG DISTANCE FOR AUTHORITY TO PROVIDE  
LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS  
SERVICES WITHIN THE STATE OF NEW JERSEY

DOCKET NO. TE04070708

**SERVICE LIST**

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2. **Petitioner's Attorney:**

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5. **Deputy Attorney General:**

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3. **Board's Staff:**

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6. **Board's Staff:**

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